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## COMPANY INFORMATION

### BOARD OF DIRECTORS:

Kashif Habib	Chairman
Asim Ghani	Chief Executive
Shunaid Qureshi	Director
Ajaz Ahmed	Director
Mohammed Ayoub	Director
Mohammad Khubaib	Director
(Appointed in place of Mr. Nasim Beg)	
Rafiq Tumbi	Director
Aves Cochinwala	Director
Kashif A. Habib	Director
Ikram-ul-Haq Siddiqui	Director

### COMPANY SECRETARY:

Khursheed Anwar

### CHIEF FINANCIAL OFFICER:

Zuhair Abbas

### AUDIT COMMITTEE:

Kashif A. Habib	Chairman
Shunaid Qureshi	Member
Asim Ghani	Member
Syed Muhammad Talha	Secretary

### STATUTORY AUDITORS:

Haroon Zakaria & Company  
Chartered Accountants

### COST AUDITORS:

Siddiqi & Co.,  
Cost & Management Accountants

### BANKERS:

Allied Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
United Bank Limited

### SHARE REGISTRAR:

Technology Trade (Pvt) Ltd,  
Dagia Huuse, 241-C, Black-2,  
P.E.C.H.S., Off: Sharah-e-Quaideen, Karachi.  
Email : Junid.dagia@gmail.com  
Telephone : 4391316-7  
Fax : 4391318.

### REGISTERED OFFICE:

2nd Floor, Pardesi House,  
Survey No. 2/1, R. Y. 16, Old Queens Road, Karachi.  
Tel: 92-21-111-111-224  
Fax: 92-21-2470090  
Telegram: JAVCEMENT  
Email: javedancement@yahoo.com  
Website: www.jcl.com.pk

### FACTORY:

Manghopir, Karachi-75890  
Tel: 92-21-6770141 - 6770142  
Fax: 92-21-6770144

## DIRECTORS' REVIEW REPORT

The Directors of Javedan Cement Limited present herewith the un-audited financial statements of the Company for the quarter ended September 30, 2008.

### PRODUCTION AND SALES

The comparative figures of production and sales for the quarter ended September 30, 2008 are given as under :-

	For the Quarter ended	
	September 30, 2008	September 30, 2007
	In M. Tons	
Clinker Production	87,931	86,452
Cement Production	139,573	114,720
Cement Sales		
Local	115,731	87,999
Export	15,750	28,229

During the quarter under review, the production of clinker was 87,931 M.T as against 86,452 M.T. of corresponding period of last year, which result slight increase of 1,479 M.T. Cement production increased by 24,853 M.T during the quarter over the same period of last year and overall cement dispatches increased by 15,253 M.T, though the export sales decreased by 12,479 M.T but on the other hand local sales increased by 27,732 M.T. as compared to the last quarter.

### OPERATIONAL RESULT

During the quarter under review, the Company has earned gross profit of Rs. 99.604 million as against Rs. 40.367 million in the same period of last year and net profit of Rs. 50.197 million as against net profit of Rs. 1.062 million in the corresponding period of last year. By the grace of Al-mighty Allah, your Company has able to earn earnings per share of Rs. 0.90 as compared to last year of Rs. 0.02.

### FUTURE PROSPECTS

Due to recent stagflation locally and globally, it is expected that the construction activities would be sluggish resulting in less demand of cement locally in current financial year. The depreciation of Pak Rupee against US dollar has already triggered inflationary trend across the board and resulted in higher cost of inputs i.e. fuel, electricity, transportation, paper bags and mandatory increase in wages to the workers. The poor law and order situation in the country has shaken the confidence of foreign and local investors adversely effecting new investment in construction industry.

In order to meet the challenges on account of devaluation of Pak Rupee against US dollar and the rising cost of inputs, your Management is fully aware of looming crisis and has devised a strategy to focus on export market and simultaneously make concerted efforts to reduce the cost of production by operating the plant in an efficient and effective manner.



**ACKNOWLEDGMENT**

The Board of Directors of the company would like to place on record appreciation for the financial institution, customers, dealers, suppliers, workers, staff and officers of the company for their hard work in improving the performance and financial results and hope that the same spirit will continue in future as well.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read "Asim Ghani".

**Asim Ghani**  
Chief Executive

Karachi: October 29, 2008


**CONDENSED INTERIM  
BALANCE SHEET (UN-AUDITED)**

AS AT SEPTEMBER 30, 2008

		September 30, 2008	June 30, 2008
<b>ASSETS</b>			
	Note	(Rupees in '000)	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipments - Operating	4	844,338	840,707
Deferred tax asset		57,615	57,615
Long term security deposits		2,246	2,246
<b>CURRENT ASSETS</b>			
Stores and spares		135,199	140,513
Stock-in-trade		109,944	172,577
Trade debts - Unsecured considered good		57,906	19,883
Advances - Unsecured		44,120	17,157
Deposits, prepayments and other receivable		18,935	18,739
Interest accrued		2,284	605
Tax refunds due from Government		14,513	27,475
Cash and bank balances		47,194	71,298
		<u>430,095</u>	<u>468,247</u>
<b>TOTAL ASSETS</b>		<u>1,334,294</u>	<u>1,368,815</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Share Capital 70,000,000 Ordinary Shares of Rs 10 each		<u>700,000</u>	<u>700,000</u>
Issued, subscribed and paid-up share capital		560,000	560,000
Reserves		<u>(236,188)</u>	<u>(286,385)</u>
Shareholders' fund		323,812	273,615
<b>NON-CURRENT LIABILITIES</b>			
Redeemable capital		546,875	546,875
Long term loan		90,000	120,000
Sponsors loan		91,677	96,677
<b>CURRENT LIABILITIES</b>			
Trade and other payables		100,986	169,016
Mark up accrued		41,998	54,507
Current maturity of redeemable capital		138,125	108,125
Provision for taxation		821	-
		<u>281,930</u>	<u>331,648</u>
<b>CONTINGENCIES</b>	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,334,294</u>	<u>1,368,815</u>

The annexed notes form an integral part of these financial statements.

  
 Chief Executive

  
 Director

**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

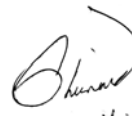
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

	Note	First Quarter	
		September 30, 2008	September 30, 2007
(Rupees in '000)			
Sales - Net		609,110	367,311
Cost of goods sold	6	509,506	326,944
Gross profit		<u>99,604</u>	<u>40,367</u>
Operating expenses			
Distribution cost		<u>12,638</u>	<u>6,619</u>
Administrative expenses		<u>6,264</u>	<u>5,684</u>
		<u>18,902</u>	<u>12,303</u>
Other operating income		<u>80,702</u>	<u>28,064</u>
		<u>2,926</u>	<u>389</u>
Profit from operation		<u>83,628</u>	<u>28,453</u>
Financial cost		<u>32,610</u>	<u>25,552</u>
Profit before taxation		<u>51,018</u>	<u>2,901</u>
Taxation		<u>821</u>	<u>1,839</u>
Profit after taxation		<u>50,197</u>	<u>1,062</u>
Basic earnings per share - Rupees		<u>0.90</u>	<u>0.02</u>

The annexed notes form an integral part of these financial statements.



**Chief Executive**



**Director**

**CONDENSED INTERIM  
CASH FLOW STATEMENT (UNAUDITED)**

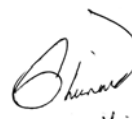
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

	September 30, 2008	September 30, 2007
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	51,018	2,901
Adjustments for non-cash items and other charges		
Depreciation	3,682	3,966
Financial charges	32,610	25,552
Interest income	(2,531)	(26)
Cash (used in) / from operating activities before working capital changes	84,779	32,393
(Increase)/ Decrease in current assets:		
Stores and spares	5,314	3,120
Stock in trade	62,633	42,206
Trade debts	(38,023)	(37,777)
Loans and advances	(26,963)	(4,550)
Deposits, prepayments and other receivables	(196)	(212)
Tax due from government - other than income tax	12,962	-
(Decrease)/ Increase in trade and other payables	(68,030)	(11,033)
	<u>(52,303)</u>	<u>(8,246)</u>
Net cash (used in) / from operation	32,476	24,147
Income tax paid	-	(1,985)
Financial charges paid	<u>(45,119)</u>	<u>(2,745)</u>
<b>Net cash generated from operating activities</b>	<b>(12,643)</b>	19,417
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(7,313)	(20)
Interest received	852	141
Net cash used in investing activities	<u>(6,461)</u>	121
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Sponsors loan	(5,000)	-
Dividends paid	-	(11)
<b>Net cash from financing activities</b>	<u>(5,000)</u>	<u>(11)</u>
<b>Net (decrease)/ increase in cash and cash equivalent</b>	<b>(24,104)</b>	19,527
<b>Cash and cash equivalent at beginning of period</b>	<b>71,298</b>	8,152
<b>Cash and cash equivalent at end of period</b>	<b><u>47,194</u></b>	<b><u>27,679</u></b>

The annexed notes form an integral part of these financial statements.



Chief Executive



Director

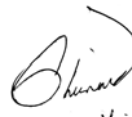
**CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

	Reserve					Total	Total
	General				Total		
	Share Capital	Capital Reserve	General Reserve	Accumulated Losses			
(Rupees in '000)							
Balance as at July 1, 2007	560,000	11,966	63,500	(319,355)	(255,855)	(243,889)	316,111
Profit for the quarter ended September 30, 2007	-	-	-	1,062	1,062	1,062	1,062
Balance as at September 30, 2007	<b>560,000</b>	<b>11,966</b>	<b>63,500</b>	<b>(318,293)</b>	<b>(254,793)</b>	<b>(242,827)</b>	<b>317,173</b>
Balance as at July 1, 2008	560,000	11,966	63,500	(361,851)	(298,351)	(286,385)	273,615
Profit for the quarter ended September 30, 2008	-	-	-	50,197	50,197	50,197	50,197
Balance as at September 30, 2008	<b>560,000</b>	<b>11,966</b>	<b>63,500</b>	<b>(311,654)</b>	<b>(248,154)</b>	<b>(236,188)</b>	<b>323,812</b>

The annexed notes form an integral part of these financial statements.



**Chief Executive**



**Director**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2008

### 1. STATUS AND NATURE OF BUSINESS

Javedan Cement Limited (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi Stock Exchange. Its principal activity is to manufacture and sell Ordinary Portland Cement, Blast Furnace Slag Cement and Sulphate Resisting Cement. Registered office of the company is located at 2nd Floor, Pardesi House, Survey No. 2/1, R. Y. 16, Old Queens Road, Karachi.

### 2. BASIS OF PREPARATION

These financial statements are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange of Pakistan and have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

### 3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are same as those applied in the preparation of the annual financial statements for the year ended June 30, 2008.

### 4. PROPERTY, PLANT & EQUIPMENTS

The additions and disposals were made during the period are given below:-

	September 30, 2008		June 30, 2008	
	Additions	Disposals	Additions	Disposals
(Rupees in '000)				
Free hold land	-	-	5,568	-
Buildings and roads on free hold land	-	-	-	-
Plant and machinery	-	-	5,101	-
Furniture, fixtures and equipments	144	-	616	-
Vehicles	42	-	101	-
Capital work in progress - Land development	7,127	-	-	-
	<u>7,313</u>	<u>-</u>	<u>11,386</u>	<u>-</u>

### 5. CONTINGENCIES

There has been no change in contingencies as reported in audited annual financial statements June 30, 2008.

	<b>First Quarter</b>	
	<b>September 30, 2008</b>	<b>September 30, 2007</b>
	<b>(Rupees in '000')</b>	
<b>6 COST OF GOODS SOLD</b>		
Raw materials consumed	53,927	32,029
Packing materials consumed	42,331	23,702
Stores and spares consumed	15,187	9,381
Utilities	85,470	58,964
Fuel	185,352	119,365
Salaries,wages and other benefits	23,751	24,740
Repairs and maintenance	2,741	3,514
Depreciation	3,499	3,662
Other expenses	10,429	5,655
	<u>422,687</u>	<u>281,012</u>
<b>Work-in-process</b>		
Opening balance	100,076	119,672
Clinker purchase	28,093	-
Closing balance	(36,929)	(82,063)
	<u>91,240</u>	<u>37,609</u>
<b>Cost of goods manufactured</b>	<u>513,927</u>	<u>318,621</u>
<b>Finished goods</b>		
Opening balance	35,838	41,931
Closing balance	(40,259)	(33,608)
	<u>(4,421)</u>	<u>8,323</u>
	<u>509,506</u>	<u>326,944</u>

**7 TRANSACTIONS WITH RELATED PARTIES**

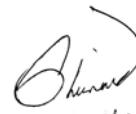
Purchase of Clinker	38,096	8,221
Purchase of stores and Spares	110	-
Sales of stores and spares	3,765	-
Sponsors loan - repayment	5,000	-

**8 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on October 29, 2008 by the Board of Directors of the Company.

**9 GENERAL**

Figures have been rounded-off to the nearest thousands of rupees.


**Chief Executive**

**Director**